
BOARD OF SELECTMEN – APRIL 2, 2014

I. Call to Order/Roll Call

Chairman Alex Vispoli called the Regular Meeting of the Board of Selectmen to order at 7:02 PM in the Selectmen's conference room in the Town Offices. Present: Chairman Vispoli-Y and Selectmen Paul Salafia-Y, Brian Major-Y, Dan Kowalski-Y, Mary O'Donoghue-Y. Also present: Town Manager Reginald S. Stapczynski. The meeting was duly posted and cablecast live.

II. Opening Ceremonies

Chairman Vispoli led the meeting in a Moment of Silence and Pledge of Allegiance.

III. Communications/Liaison Reports

The Town Manager asked that nominations for the Virginia Cole Award be submitted to his office by Friday, April 11th.

Town Clerk Larry Murphy reported on the results of the Town Elections held on March 25th. The three newly elected Board members are: Board of Selectmen: Mary O'Donoghue, School Committee: Joel Blumstein and Housing Authority: Jack O'Donoghue. Incumbents re-elected include: Sheila Doherty, Moderator; Don Schroeder and Jim Sutton, Punchard Free Trustees. He noted that 5.6% of the registered voters voted in the Election.

Paul Salafia recognized Director of Municipal Services Chris Cronin and his staff for their quick response to a serious water problem from the heavy rains on Route 28 over the weekend.

Brian Major announced that the Andover Youth Services Telethon will be held on Thursday, April 3rd and Friday, April 4th at the Collins Center.

Dan Kowalski said the Doherty Middle School production of "Anything Goes" will be held this weekend.

IV. Citizens Petitions and Presentations

Perry Rafferty, 13 Center Street, spoke about Annual Town Meeting warrant article #25 – Ballardvale Fire Station renovations and said he feels the Board should consider keeping the station where it is.

V. Public Hearing

A. Sonesta International Hotels, Corp.

Selectman Major moved to approve the request of Sonesta International Hotels Corp., d/b/a Sonesta ES Suites, Andover, 4 Technology Drive, for an Innholder All-Alcoholic Beverage License at 4 Technology Drive, Andover. The applicant currently holds an Innholder Wine &

Malt License on the premises. Paul Wilkins will be the designated Manager. The request has been reviewed and approved by the Town Clerk subject to the condition that all other requirements of the Town are met prior to the issuance of the license. The motion was seconded by Selectman Salafia and voted 5-0 to approve.

VI. Water & Sewer Commissioners

Selectman Major motioned that the Board adjourn as Selectmen and move to Water and Sewer Commissioners. Roll call: Chairman Vispoli-Y and Selectmen Paul Salafia-Y, Brian Major-Y, Dan Kowalski-Y, Mary O'Donoghue-Y.

At 7:16 P.M. Jon Stumpf called the Finance Committee members to order: Roll call: Chairman Stumpf-Y and members Eugenie Moffitt-Y, Joanne Marden-Y, Greg Serrao-Y, Paul Fortier-Y, John Barry-Y, Margaret Kruse-Y.

A. Water & Sewer Rate Increase – Second Reading

Municipal Services Director Chris Cronin distributed a handout on Andover's water and sewer rates compared to similar communities and those in the Merrimack Valley area. The handout also included locations where water main work is anticipated to start this year and a summary of the Water Treatment Plant Assets.

Andover's current water rate of \$2.95 costs the average household \$354 per year. The proposal for a 2.5% increase of \$3.02 will cost the average household \$362.40 per year and a 5% increase of \$3.10 would cost the average household \$372.00 per year. Andover's proposed water rate increases are in the mid-level range in comparison to peer communities but on the higher mid-level range when compared to Merrimack Valley communities.

Andover's current sewer rate of \$3.47 costs the average home owner \$416.40 annually. The proposed increase of \$3.56 would cost the average home owner \$427.20 annually. Andover's sewer charge sits on the mid-level range in comparison to like communities and on the upper mid-level range for Merrimack Valley communities.

Currently, the sewer reserves sit at 32%; increasing the rate would raise the level to 65%. The annual required ARC for OPEB for the Sewer Department is \$38,000 and water is \$231,000 per year. The reserve fund includes sewer betterment revenues which are decreasing and total debt service is dropping off at \$90,000 per year; without an increase the reserves will only be 5% over the goal of 20% in the reserve fund. Any large project could significantly reduce reserves. Paul Salafia feels they should wait on increasing the sewer rates as the reserves are high now. Brian Major said excess funds in the reserve account would allow more revenue for capital projects without borrowing.

Selectman Major moved the Water and Sewer Commissioners adopt a 2.75% rate increase to cover all incurred operating expenses including OPEB. The motion was not seconded.

Selectman Major moved the Water and Sewer Commissioners adopt a rate increase of 2.5% with additional OPEB rate coming out of reserves. The motion was not seconded.

Selectman Salafia moved the Water and Sewer Commissioners adopt a 0% increase in the sewer rate. The motion was seconded by Selectman O'Donoghue and voted 3-2 to approve. Roll call: Chairman Vispoli-Y and Selectmen Paul Salafia-Y, Mary O'Donoghue-Y, Brian Major-N and Dan Kowalski-N.

Water rates: Finance Director Donna Walsh reported that in order not to use any of the reserve funds for operating costs or the OPEB liability, it will require a 5% increase in water rates. Chairman Vispoli questioned the overtime pay of \$200,000 for Water Treatment Plant operators. Mr. Cronin reported the overtime costs incurred come from the model suggested by the Board in 2010 not to hire additional employees. The plant runs 24/7 with three shifts and he would welcome the opportunity to hire additional operators for the plant as the Water Treatment Plant has a lot of needs.

The Board talked about preparing for the loss of water revenues from North Reading as they are preparing to move to the MWRA and the opportunities to save excess reserves to buffer the loss.

Selectman Major motioned the Water & Sewer Commissioners set a water rate increase of 5% to fully fund operating costs taking zero dollars out of reserves, costing the average homeowner \$16.65 per year. The motion was seconded by Chairman Kowalski and voted 5-0 to approve. Roll call: Chairman Vispoli-Y and Selectmen Paul Salafia-Y, Brian Major-Y, Dan Kowalski-Y, Mary O'Donoghue-Y.

Selectman Major motioned the Water & Sewer Commissioners adjourn back to the Board of Selectmen: Roll call: Chairman Vispoli-Y and Selectmen Paul Salafia-Y, Brian Major-Y, Dan Kowalski-Y, Mary O'Donoghue-Y.

At 8:50 P.M. on a motion duly made and seconded, the Finance Committee adjourned. Roll call: Chairman Stumpf-Y and members Eugenie Moffitt-Y, Joanne Marden-Y, Greg Serrao-Y, Paul Fortier-Y, John Barry-Y, Margaret Kruse-Y.

VII. Regular Business of the Board

A. 2014 Annual Town Meeting and CIP Warrant Articles

IT – CIP Warrant Articles

CIO Paul Puzanghera said this request will restore all Window apps with virtual alternatives and the basis for the "BYOD" (Bring Your Own Device), which will lower costs, provide a path forward, meet PARCC testing requirements and addresses the aging student fleet of machines (through BYOD virtualization).

Warrant Article #40 – Technology Hardware and Software

Selectman Major motioned that the Board recommend approval of warrant article #40 for IT-2 – Virtualization in the amount of \$200,000 and to revisit the motion if there is no commitment from the School Department. The motion was seconded by Selectman Kowalski and voted 5-0 to approve.

Warrant Article #51 – Deyermont Sports Complex Parking Lot Pavement

Municipal Services Director Chris Cronin said they amended the amount of this request to \$125,000 from \$250,000 as he was able to install leaching basins rather than extensive leaching fields. He reminded the Board that the original CIP article included paving to be done in phases – this is the second phase.

Selectman Major motioned to recommend approval of warrant article #51 – Deyermont Sports Complex Parking Lot Pavement in the amount of \$125,000. The motion was not seconded.

Selectman O'Donoghue moved to recommend disapproval of warrant article #51 – Deyermont Sports Complex Parking Lot Pavement in the amount of \$125,000. The motion seconded by Selectman Vispoli and voted 2-3. The motion failed.

Selectman Major motioned to hold on their recommendation of warrant article #51 – Deyermont Sports Complex Parking Lot Pavement in the amount of \$125,000. The motion was seconded by Selectman Kowalski and voted 5-0 to hold.

Warrant Article #47 – Annual Computer Workstation and Laptop Replacement Program – \$360,000

Selectman Major moved that the Board recommend approval of warrant article #47 – Annual Computer Workstation and Laptop Replacement Program in the amount of \$360,000. The motion was seconded by Selectman O'Donoghue and voted 5-0 to recommend approval.

Warrant Article #46 – Off-street Parking Proposal – \$118,000

Selectman Major moved that the Board recommend approval of WA #46 Off-street Parking Proposal in the amount of \$118,000. The motion was seconded by Selectman Salafia and voted 5-0 to recommend approval.

Warrant Article #39 – Town/School Energy Initiative – \$236,000

Selectman Major moved that the Board recommend approval of warrant article #39 – Town/School Energy Initiative in the amount of \$236,000. The motion was seconded by Selectman O'Donoghue and voted 5-0 to recommend approval.

Warrant Article #41 – Town Playground Replacements & Handicapped Accessibility

Hold

Warrant Article #42 – School Site Improvements – \$319,000

Selectman Salafia moved to recommend disapproval of warrant article #42 – School Site Improvements in the amount of \$319,000. The motion was seconded by Selectman O’Donoghue and voted 5-0 to recommend disapproval.

Warrant Article #43 – Town Building & Facility Maintenance – \$467,000

Selectman O’Donoghue moved to recommend approval of warrant article #43 – Town Building & Facility Maintenance in the amount of \$467,000. The motion was seconded by Selectman Salafia and voted 3-2 to recommend approval.

Warrant Article #45 – DPW Vehicles – \$260,000

Selectman Major motioned to recommend approval of warrant article #45 – DPW Vehicles in the amount of \$260,000. The motion was seconded by Selectman Salafia and voted 4-1 to recommend approval.

VIII. Matters Continued from March 31, 2014 Meeting

A. Future Meeting Dates

The Board agreed to set the following meeting dates for April, May and June: April 7, 17 & 28 – Regular Meetings; May 5, 6 and 12* Annual Town Meeting 6:00 P.M. with a Regular Meeting on May 12* (if no Annual Town Meeting) and May 19; and June 2 & 16 – Regular Meetings.

B. 2014 Annual Town Meeting Warrant

Selectman Kowalski motioned that the Board re-sign the 2014 Annual Town Meeting Warrant to include the insertion of Article 9.B. – Funding OPEB Trust Fund, voted at the March 31, 2014 meeting. The motion was seconded by Selectman Major and voted 5-0 to approve.

IX. Adjournment

At 10:00 P.M. on a motion by Selectman Salafia and seconded by Selectman O’Donoghue, the Board unanimously voted to adjourn. Roll call: Chairman Vispoli-Y and Selectmen Paul Salafia-Y, Brian Major-Y, Mary O’Donoghue-Y, Dan Kowalski-Y.

Respectfully submitted,

Dee DeLorenzo
Recording Secretary

Documents: Water & Sewer Rate Charts